

Unaudited Financial Statements
for the Year Ended 30 April 2021
for
Staffordshire Precision Engineering
Limited

**Staffordshire Precision Engineering
Limited (Registered number: 01569481)**

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for the Year Ended 30 April 2021**

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**Staffordshire Precision Engineering
Limited**

**Company Information
for the Year Ended 30 April 2021**

DIRECTORS: P D Smith
G C Smith

SECRETARY: P D Smith

REGISTERED OFFICE: 14/15 Rosevale Road
Parkhouse Industrial Estate
Newcastle under Lyme
Staffordshire
ST5 7EF

REGISTERED NUMBER: 01569481 (England and Wales)

**Staffordshire Precision Engineering
Limited (Registered number: 01569481)**

**Statement of Financial Position
30 April 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	4		1,713,166		1,804,215
CURRENT ASSETS					
Stocks		600,000		720,000	
Debtors	5	1,746,615		1,721,731	
Cash at bank and in hand		<u>79,826</u>		<u>55,575</u>	
		2,426,441		2,497,306	
CREDITORS					
Amounts falling due within one year	6	<u>2,355,912</u>		<u>2,291,682</u>	
NET CURRENT ASSETS			<u>70,529</u>		<u>205,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,783,695		2,009,839
CREDITORS					
Amounts falling due after more than one year	7		(927,955)		(1,075,975)
PROVISIONS FOR LIABILITIES			<u>(158,100)</u>		<u>(152,100)</u>
NET ASSETS			<u>697,640</u>		<u>781,764</u>
CAPITAL AND RESERVES					
Called up share capital			40		40
Capital redemption reserve			63		63
Retained earnings			<u>697,537</u>		<u>781,661</u>
SHAREHOLDERS' FUNDS			<u>697,640</u>		<u>781,764</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**Staffordshire Precision Engineering
Limited (Registered number: 01569481)**

**Statement of Financial Position - continued
30 April 2021**

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 10 August 2021 and were signed on its behalf by:

P D Smith - Director

**Staffordshire Precision Engineering
Limited (Registered number: 01569481)**

**Notes to the Financial Statements
for the Year Ended 30 April 2021**

1. STATUTORY INFORMATION

Staffordshire Precision Engineering Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements cover the company as an individual entity and are presented in Pounds Sterling (£) being the functional currency.

The financial statements have been prepared on a going concern basis on the assumption that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have made this assessment with regard to the company's current and expected performance.

Particular consideration has been given to the impact of the Coronavirus on the company's ability to operate for the foreseeable future. In arriving at this assessment of the going concern status of the company the directors have made key judgements about the returning level of demand for the goods/services supplied by the company.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with entities within the group where the relationship is one of being wholly owned.

Turnover

Turnover from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Usually, turnover from the sale of goods is recognised when the goods are delivered and legal title has passed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Plant and machinery	- 25% on reducing balance, 20% on reducing balance and 10% on cost
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost and net realisable value (estimated selling price less costs to complete and sell). Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Financial instruments

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future cash flows discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Staffordshire Precision Engineering
Limited (Registered number: 01569481)**

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets, obtained under hire purchase contracts and finance leases, are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account on a straight-line basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 37 (2020 - 45) .

4. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 May 2020	444,416	119,116	3,895,419
Additions	-	-	149,739
Disposals	-	-	(11,615)
At 30 April 2021	<u>444,416</u>	<u>119,116</u>	<u>4,033,543</u>
DEPRECIATION			
At 1 May 2020	53,330	14,094	2,618,166
Charge for year	8,888	2,383	224,419
Eliminated on disposal	-	-	(9,548)
At 30 April 2021	<u>62,218</u>	<u>16,477</u>	<u>2,833,037</u>
NET BOOK VALUE			
At 30 April 2021	<u>382,198</u>	<u>102,639</u>	<u>1,200,506</u>
At 30 April 2020	<u>391,086</u>	<u>105,022</u>	<u>1,277,253</u>

**Staffordshire Precision Engineering
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**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

4. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2020	86,806	17,716	4,563,473
Additions	4,580	-	154,319
Disposals	-	-	(11,615)
At 30 April 2021	<u>91,386</u>	<u>17,716</u>	<u>4,706,177</u>
DEPRECIATION			
At 1 May 2020	65,917	7,751	2,759,258
Charge for year	5,119	2,492	243,301
Eliminated on disposal	-	-	(9,548)
At 30 April 2021	<u>71,036</u>	<u>10,243</u>	<u>2,993,011</u>
NET BOOK VALUE			
At 30 April 2021	<u>20,350</u>	<u>7,473</u>	<u>1,713,166</u>
At 30 April 2020	<u>20,889</u>	<u>9,965</u>	<u>1,804,215</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 May 2020	1,790,733	17,716	1,808,449
Additions	145,000	-	145,000
Transfer to ownership	(404,500)	-	(404,500)
At 30 April 2021	<u>1,531,233</u>	<u>17,716</u>	<u>1,548,949</u>
DEPRECIATION			
At 1 May 2020	736,076	7,752	743,828
Charge for year	148,370	2,492	150,862
Transfer to ownership	(249,772)	-	(249,772)
At 30 April 2021	<u>634,674</u>	<u>10,244</u>	<u>644,918</u>
NET BOOK VALUE			
At 30 April 2021	<u>896,559</u>	<u>7,472</u>	<u>904,031</u>
At 30 April 2020	<u>1,054,657</u>	<u>9,964</u>	<u>1,064,621</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,667,995	1,525,367
Other debtors	78,620	196,364
	<u>1,746,615</u>	<u>1,721,731</u>

**Staffordshire Precision Engineering
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**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts	25,488	23,192
Hire purchase contracts (see note 8)	288,572	336,762
Trade creditors	390,833	668,089
Amounts owed to group undertakings	136,499	155,328
Taxation and social security	639,823	254,608
Other creditors	874,697	853,703
	<u>2,355,912</u>	<u>2,291,682</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans	381,159	356,647
Hire purchase contracts (see note 8)	346,688	448,297
Other creditors	200,108	271,031
	<u>927,955</u>	<u>1,075,975</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans after 5 years	<u>239,234</u>	<u>257,414</u>

8. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2021	2020
	£	£
Net obligations repayable:		
Within one year	288,572	336,762
Between one and five years	<u>346,688</u>	<u>448,297</u>
	<u>635,260</u>	<u>785,059</u>

	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	46,528	57,093
Between one and five years	<u>13,612</u>	<u>60,140</u>
	<u>60,140</u>	<u>117,233</u>

Total lease payments recognised as an expense during the period amounted to £62,426 (2020 - £61,404).

**Staffordshire Precision Engineering
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**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

9. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Hire purchase contracts	635,260	785,059
Bank loans	356,647	379,839
Invoice financing	<u>592,071</u>	<u>592,755</u>
	<u>1,583,978</u>	<u>1,757,653</u>

The bank overdraft is secured by way of A) a fixed charge on all properties present and future, goodwill and uncalled capital and equipment, and B) a floating charge on the undertaking and all other property and assets of the Company.

The bank loan is secured by way of legal charges over the company trading premises 14/15 Rosevale Road, Parkhouse Industrial Estate, Newcastle-under-Lyme, Staffordshire, ST5 7EF.

The invoice financing facility is secured by way of A) a fixed and floating charge from Staffordshire Precision Engineering Limited, and B) a cross guarantee between Staffordshire Precision Engineering Limited and Staffordshire Precision Engineering Holdings Limited.

The hire purchase contracts are secured against the assets financed.

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